

PENNSYLVANIA

Insurance Department

*Motor Vehicle Physical Damage
Appraiser Licensing Information Booklet*

For examinations on and after September 23, 2010

*Register online at
www.prometric.com/pennsylvania*

Published by

PROMETRIC



Providing License Examinations for the Commonwealth of Pennsylvania

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Contents

Introduction	1	Test center regulations	7
A message from the Commissioner	1	Your exam results	8
At a glance	1	Passing results	8
		Retaking the exam	8
		Appeals process.....	9
Scheduling your exam	2	Obtaining your license	9
Registering and scheduling exams	2	Licensing requirements	9
Test centers	2	Applying for a license	9
On the Internet—register and schedule at one time.....	3	Additional licensing information.....	10
By phone—a one-step process	3	Exam content outline	11
By fax or mail—a two-step process.....	3	Series 16-15 Motor Vehicle Physical Damage Appraiser Examination	11
Registration fee, expiration, and refund policy	3	Laws governing MVPDA	12
Rescheduling your appointment.....	4	Pennsylvania Statute Title 63, Chapter 22B – Motor Vehicle Damage Appraisers.....	12
If absent or late for your appointment.....	4	Pennsylvania Code, Title 31, Part II. Chapter 62, Motor Vehicle Physical Damage Appraisers (Annex A)	14
Emergency closings	4	Exam Registration Form	17
Special test considerations	4		
Preparing for the MVPDA exam	5		
Study materials	5		
Question types	5		
Taking your MVPDA exam	6		
The testing process.....	6		

Introduction

A message from the Commissioner

In order to conduct business as a Motor Vehicle Physical Damage Appraiser (MVPDA) in Pennsylvania, you must be licensed pursuant to 63 PS 851-863 (Act 367 of 72) and the regulations, Title 31, code chapter 62.

The Commonwealth of Pennsylvania Insurance Department (Department) has contracted with Prometric Inc. (Prometric) to conduct the MVPDA examination. All the necessary information for obtaining your Motor Vehicle Physical Damage Appraiser license is contained in this Licensing Booklet published by Prometric.



Important Beginning July 1, 2010, the MVPDA exam will change. Both theory and estimate (practical) questions will be combined into one exam that you will take on computer. There will no longer be a separate, on-site, practical estimate exam.

All applicants for a Motor Vehicle Physical Damage Appraiser's license must have had at least six months estimating experience or have successfully completed an auto appraisal-training program at a recognized educational facility. Please be certain you meet the minimum training or experience requirements before testing and applying for a license or your application may be denied.

At a glance

Follow these main steps if you are interested in obtaining a Motor Vehicle Physical Damage Appraiser license.



To obtain your license

- 1** Contact Prometric to register and pay for your exam and to schedule an appointment to take it.

The easiest way to register is online at www.prometric.com/pennsylvania. Phone, fax and mail options are also available. (See Page 3.)

- 2** Prepare for your exam using this booklet and other materials. (See Page 11.)
- 3** Take the scheduled exam, bringing required identification to the test center. (See Page 6.) You will receive your results in the mail.
- 4** If you pass your exam, apply for your license through the Pennsylvania Insurance Department. (See Page 9.)



To get answers not provided in this booklet

Direct all questions and requests for information about the exam to:

Prometric

Phone: 800.715.2418

Fax: 800.347.9242

TDD User: 800.790.3926

Web site: www.prometric.com/pennsylvania

Direct questions about licensure to:

Pennsylvania Insurance Department

Bureau of Licensing and Enforcement

1209 Strawberry Square, Harrisburg, Pennsylvania 17120

Phone: 717.787.3840

Web site: www.insurance.pa.gov

Scheduling your exam

This section describes:

- The registration and scheduling process.
- Procedures to reschedule an exam appointment.
- How to request special test accommodations.

Registering and scheduling exams

Before you can test, you must contact Prometric to: **1)** Register for the exam; **2)** Pay the exam fee; and **3)** Schedule an appointment to take your exam.

You are encouraged to complete all three steps at one time using the Prometric Internet registration and scheduling system. Registration and scheduling is also available by phone. If you prefer, you can register by fax or by mail, but be aware that is a two-step process. Schedule your exam early to get your preferred site and time.

Confidentiality. The Commonwealth of Pennsylvania Insurance Department requires that candidates registering for insurance examinations for purposes of obtaining a license must provide their Social Security number for Department verification purposes. As a contracted agent of the Pennsylvania Insurance Department, Prometric will use your Social Security number only as an identification number in maintaining your record and reporting your score to the Department. If you choose not to provide your Social Security number, you will not be able to register to take an exam.

Accommodations. If you require ADA accommodation or ESL additional time, see “Special test considerations” on Page 4 before registering.

Holidays. Testing generally does not occur on the following holidays:

- | | |
|------------------------------|--------------------|
| • New Year’s Day | • Independence Day |
| • Martin Luther King Jr. Day | • Labor Day |
| • Presidents’ Day | • Thanksgiving Day |
| • Memorial Day | • Christmas Day |

Additional holidays may be observed in the state where you schedule your exam appointment.

Test centers

You may take your examination at any Prometric test center in the United States.

A complete list of test center locations may be found by going to

www.prometric.com/pennsylvania/pamvpda and clicking on the “Continue” button. Alternatively, you may call 800.853.5448. Test center locations are subject to change. Be sure to verify the address of and directions to your destination before you leave for your exam.



On the Internet—register and schedule at one time

Register and schedule your exam online at any time, follow these steps.

- 1 Access www.prometric.com/pennsylvania.
- 2 Under Insurance, click on **Motor Vehicle Physical Damage Appraiser License Exams** and follow the prompts.

By phone—a one-step process

You may register and schedule your exam by calling 800.715.2418 between 8 a.m. and 9 p.m. (Eastern time), Monday through Friday. Please have your exam registration form and your Visa or MasterCard information available. At the end of the call, you will be given a number confirming your appointment. Record and keep this confirmation number for your records.

By fax or mail—a two-step process

You can register by fax or mail in two steps: (1) register and pay your exam fee and (2) schedule your exam appointment by web or by phone.

You may fax your completed exam registration form (Page 17) to Prometric at 800.347.9242. You must include a Visa or MasterCard number and the cardholder's signature on the fax. Faxed registrations are processed within 24 hours, or one business day, of receipt.

You may mail your completed exam registration form and the appropriate exam fee. When registering by mail, you may pay the exam fee by including a Visa or MasterCard number, company check, cashier's check or money order. **Personal checks and cash are not accepted.** Assume four to eight days for delivery of mailed registrations and then 48 hours for processing. Keep in mind that if the registration form has been completed incorrectly, it cannot be accepted and will be returned.

Once your registration has been processed, you can schedule an appointment at www.prometric.com/pennsylvania/pamvpda or by calling 800.715.2418. Please record and retain the number confirming your appointment.

Registration fee, expiration, and refund policy

The MVPDA exam fee is \$49. MasterCard, Visa, money order, company check, and cashier's check are accepted forms of payment. **Personal checks and cash are not accepted.** Exam registration **fees are not refundable or transferable.**



Note An exam registration remains valid for 90 calendar days after it has been processed. It will expire without further notice at that time. We recommend that you do not register for your exam until you are prepared to take your exam.

If you allowed your exam registration to expire or did not pass your exam, you must re-register. Another exam registration fee is required.

Rescheduling your appointment

To avoid a rescheduling fee, you must contact Prometric at least **three full business days** before the day of your scheduled appointment. Refer to the following table to determine the **last day** you may reschedule without paying a \$40 rescheduling fee.

Last day to reschedule with no fee

If your exam is on:	Call by 8 p.m. (Central time) the previous:
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday
Friday	Monday

Note that this schedule **does not** include holidays. Since holidays are not business days, they do not count against the three days (call earlier).

If you do not allow at least three full business days to reschedule your appointment, you must pay a \$40 rescheduling fee before choosing another appointment. To pay this fee by Visa or MasterCard and reschedule your appointment, call Prometric at 800.715.2418. You may also pay the rescheduling fee by mailing a cashier’s check, company check, money order or Visa or MasterCard information to Prometric.

If absent or late for your appointment

If you miss your appointment or arrive late and are not allowed to test, you must pay a \$40 rescheduling fee before choosing another appointment. This fee will allow you to use your original exam registration.

If you are unable to attend your scheduled exam due to illness or emergency, call Prometric. Under certain circumstances, the fee to reschedule may be waived. Prometric reserves the right to request documentation to support any illness or emergency claim.

Emergency closings

Severe weather or an emergency could require canceling scheduled exams. If this occurs, Prometric will attempt to contact you by phone or e-mail; however, you may check for testing site closures by calling Prometric. If the site is closed, your exam will be rescheduled without a rescheduling fee.

If a testing center is open for testing and you choose not to appear for your appointment, you must pay a \$40 rescheduling fee. You must then reschedule your exam.

Special test considerations

ADA accommodation. If you require testing accommodations under the Americans with Disabilities Act (ADA), please call Prometric at 888.226.9406 to obtain an accommodation request form. Reasonable testing accommodations are provided to allow candidates with documented disabilities recognized under the ADA an opportunity to demonstrate their skills and knowledge.

Candidates should submit professional documentation of the disability with their form to help us determine the necessary testing arrangements. Thirty days’ advance notice is required for all testing arrangements. There is no additional charge for these accommodations.

ESL Accommodation. If English is not your primary language, you may qualify for additional time for your test by requesting an ESL Authorization from Prometric. Please include:

- A personal letter requesting the authorization; and
- A letter from your English instructor or sponsoring company (on company letterhead), certifying that English is not your primary language.

If documentation is approved, Prometric may extend the time limit on your examination to time-and-one-half. You will be notified by mail of this approval and should not schedule your exam until you have received the approval letter.

Preparing for the MVPDA exam

Being well prepared can help you pass your exam and possibly save you money and time spent retaking it. This section offers:

- Information about study materials.
- Information about the types of questions that will be on the exam.

Study materials You are free to use materials of your choice to prepare for the exam. While various publishers have prepared candidate study guides and manuals, **neither the Department nor Prometric publishes or reviews study materials.**

Exam Content Outline. The Exam Content Outline, located on Page 11, was developed in cooperation between Prometric and the Pennsylvania Insurance Department. Item-development staff at Prometric and insurance professionals research the content and write questions that identify and classify the minimum level of knowledge that Motor Vehicle Physical Damage Appraiser license holders need to properly serve their clients. This process ensures that the test reflects content that you, as an entry-level appraiser, will need to know to properly perform your duties.

Act of 1972, P.L. 1713, NO. 367. This Act provides for the licensing of persons engaged in appraising physical damages to motor vehicles; and fixing fees and prescribing unlawful acts and penalties. Your exam may contain questions pertaining to this Act. This Act and Annex A appear in this booklet beginning on Page 12.



Note Do not schedule your exam until you are familiar with all subject areas contained in the content outline.

Question types The questions in your licensing exam are multiple choice. Each provides four options from which you choose your answer.

Question formats. Three different multiple-choice formats are used. Each format is shown in the following examples. An asterisk (*) indicates the correct answer in each sample question.

**Format 1—
Incomplete
sentence**

Actual cash value is generally accepted to mean:

- A. Original purchase price of the property
- B. Market value at the time of the loss
- C. Cost to replace at the time of loss, plus appreciation
- * D. Cost to replace at the time of loss, less depreciation

TAKING YOUR MVPDA EXAM

Format 2—Direct question

Which one of the following is covered under the Liability Coverage of the Business Auto Coverage Form?

- A. Workers compensation
- * B. Explosion
- C. Expected injury
- D. Pollution

Format 3—All of the following except

The Business Auto Coverage Form covers losses from all of the following under comprehensive coverage EXCEPT:

- A. Fire
- B. Vandalism
- * C. Freezing
- D. Theft

Experimental questions. Your examination may include some experimental questions that will not be scored. If present, they are distributed throughout the examination and will not be identified as such. These are used to gather statistical information on the questions before they are added to the examination as scored items. These experimental questions **will not** be counted for or against you in your final examination score.

Taking your MVPDA exam

Knowing what to expect when taking your exam may help you prepare for it. This section contains:

- An overview of the testing process.
- Regulations that will be enforced at the test center.
- A guide to understanding your exam results.
- Information about appeals.

The testing process

Your exam will be given by computer at a Prometric testing center. You do not need any computer experience or typing skill to take your exam. Before you start the exam, you will receive a personalized introduction to the testing system. You may also take an introductory lesson on the computer.

Arrival. You should arrive at least **30 minutes before** your scheduled exam appointment. This allows time for you to sign in and for staff to verify your identification and documentation.

Identification required. You must present a valid form of identification before you can test. That identification document **must**:

- Be government-issued (e.g., driver's license, state-issued identification card or military identification card).
- Contain **both** a current photo and your signature.
- Have a name that exactly matches the name used to register for the exam (including designations such as "Jr." and "III").



Important Failure to provide appropriate identification at the time of the exam is considered a missed appointment. As a result, you must pay a \$40 rescheduling fee before choosing another appointment.

If you cannot provide the identification listed above, contact Prometric **before** scheduling your appointment to arrange an alternative way to meet this requirement.

Test center regulations

To ensure that all candidates are tested under equally favorable conditions, the following regulations and procedures will be observed at each test center.

- 1** You will be continuously monitored by video, physical walk-throughs and the observation window during your test.
- 2** You must present valid (unexpired) and acceptable ID(s) in order to take your test. (See "Identification required" in the above section).
- 3** You are required to sign out on the test center roster each time you leave the test room. You must also sign back in and show your ID to the Test Center Administrator (TCA) in order to be re-admitted to the test room.
- 4** You are **prohibited** from communicating, publishing, reproducing, or transmitting any part of your test, in any form or by any means, verbal or written, for any purpose.
- 5** You **must not** talk to other candidates or refer to their screens, testing materials, or written notes in the test room.
- 6** You **may not** use written notes, published materials, or other testing aids, during your test.
- 7** You are **allowed** to bring soft ear plugs or center-supplied tissues in the test room.
- 8** Any clothing or jewelry items allowed to be worn in the test room must remain on your person at all times. Removed clothing or jewelry items must be stored in your locker.
- 9** You **must not** bring any personal/unauthorized items into the testing room. Such items include but are not limited to: outerwear, hats, food, drinks, purses, briefcases, notebooks, pagers, watches, cellular telephones, recording devices, and photographic equipment. Weapons are not allowed at any Prometric Test center. You will be asked to empty and turn your pockets inside out prior to every entry into the test room to confirm that you have no prohibited items.
- 10** You **must** return all materials issued to you by the TCA at the end of your test.
- 11** You are not allowed to use any electronic devices or phones during breaks.
- 12** Your test will have one, optional, five-minute break. If you take any other unscheduled breaks, it will count against your exam time.
- 13** Repeated or lengthy departures from the test room for unscheduled breaks will be reported by the TCA.
- 14** If you need access to an item stored in the test center during a break such as food or medicine, you must inform the TCA **before** you retrieve the item. You are not allowed to access any prohibited item (as defined by the client practice applicable for the test you are taking).
- 15** You must conduct yourself in a civil manner at all times when on the premises of the test center. Exhibiting abusive behavior towards the TCA, or any other staff member of the test center, may result in criminal prosecution.
- 16** To protect the privacy of all testers, the TCA can neither confirm nor deny if any particular individual is present or scheduled at the test center.
- 17** Persons not scheduled to take a test are not permitted to wait in the test center.

Failure to follow any of these security procedures may result in the disqualification of your examination. Prometric reserves the right to audio and videotape any examination session.

Copyrighted questions. All test questions are the property of Prometric Inc. and are protected by copyright. Federal law provides severe civil and criminal penalties for the unauthorized reproduction, distribution, or exhibition of copyrighted materials.

If questions arise. Test center administrators are not allowed to answer any questions pertaining to the exam content. If you do not understand a question on the examination, you should answer the question to the best of your ability.

Your exam results

At the end of your exam, your score will be shown on the screen and you will receive a printed score report. The report indicates your overall score and grade, including the numerical percentage of questions answered correctly and whether you passed or failed.

The report also displays your percentage correct in each major section of the exam, as defined by the exam content outline. These section scores are shown to guide you about areas requiring additional preparation for retesting if you do not pass the exam.

Note: The section percentages will not average out to your total percentage score. That is because individual exam outline sections are allocated different numbers of questions on the exam. Your total percentage score is computed by dividing the number of questions you answered correctly by the total number of questions in the exam. The total score is **not** computed by adding the section percentages and dividing by the total number of sections.

Prometric electronically notifies the Department of exam results within two business days of the exam date. Note that exam scores are confidential and will be revealed only to you and the Department.



Important Passing the exam does not guarantee that you will be issued a license. Issuance of a license depends on review and approval of all license application requirements.

Duplicate score report. You may call or write to Prometric to request a duplicate of your score report for a period of one year after an exam. Direct any questions or comments about your exam to Prometric.

Passing results

If your score report indicates you passed your exam, you must complete the Pennsylvania Motor Vehicle Physical Damage Appraiser License Application (IDL-31). See page 9 for more information.

Retaking the exam

If you do not pass the exam, you may re-register by mailing another exam registration form, calling Prometric to register and schedule, or online at www.prometric.com/pennsylvania. You may re-register and schedule your re-examination appointment at any time. However, you must wait 30 days from the date of your last exam to sit for your retake exam. When you re-test, another exam fee is required.

Appeals process

Our goal is to provide a quality exam and a pleasant testing experience for every candidate. If you are dissatisfied with either and believe we can correct the problem, we would like to hear from you. We provide an opportunity for general comments at the end of your exam. Your comments will be reviewed by our personnel, but you will not receive a direct response.

If you are requesting a response about exam content, registration, scheduling or test administration (testing site procedures, equipment, personnel, etc.), please submit an appeal in writing.

Your appeal letter must provide your name and Social Security number, the exam title, the date you tested and the details of your concern, including all relevant facts. Be sure to include your signature and return address. Mail your appeal letter to:

Prometric
ATTN: Appeals Committee
1260 Energy Lane
St. Paul, MN 55108

The Appeals Committee will review your concern and send you a written response within 10 business days of receipt. **Faxed appeals will not be accepted** because an original signature is required.

Obtaining your license

This section offers information about:

- Qualifying licensing requirements.
- How to apply for your license.
- Additional licensing information.

Licensing requirements

In order to qualify as a Pennsylvania Motor Vehicle Physical Damage Appraiser, you must satisfy the following basic requirements:

- Be at least 18 years of age;
- Be a resident of the Commonwealth of Pennsylvania, or a resident of another state or country which permits residents of this Commonwealth to act as appraisers in that state or country;
- Establish to the satisfaction of the Commissioner that you have sufficient experience, special education or training in the appraising of physical damages to motor vehicles business; and
- Prove you are competent to fulfill the appraiser responsibilities.

Applying for a license

Once you receive your passing score report, you must complete the Motor Vehicle Physical Damage Appraiser's License Application (IDL-31) and forward it, with the appropriate fee, to the Department for review.

The required application, (IDL-31), is available on the Department's Web site at www.insurance.pa.gov or online at www.prometric.com/pennsylvania/pamvpda. It is your responsibility to ensure that the application has been properly completed and that the information is accurate. Applications that are found to contain inaccurate or untruthful responses may be denied.

OBTAINING YOUR LICENSE

Once the Department has verified that you have passed the required exam and have met all standards for licensure, your license will be issued. Please allow four to six weeks for the Department to process your application. You may check the status of your application on the Department's Web site under "Resources for Producers" at www.insurance.pa.gov.



Note The Department no longer mails paper licenses. Once you verify that your license has been issued by checking the "Application Status Search" at www.insurance.pa.gov, follow the instructions to "Print" your license.

Additional licensing information

Reporting requirements. All licensees are required to report name or address changes as well as criminal charges and convictions to the Department within 30 days.

Amended license. An amended license consists of adding an additional line of authority, change of name, change of address or status to an active license. There is a \$25 fee to amend an existing active license. Please check the box marked Amended License on Form IPL-01 if this applies to your application. No prelicense education or fingerprint submission is required to amend a license by adding a line of authority to an existing active producer license.

Uniformity of licenses. A corporation or partnership must be properly licensed. In order for a partnership or corporation to be licensed, every active member of a partnership or active officer of a corporation must be properly licensed. An "active member or officer" is one who sells, solicits, negotiates or places risks effective in the Commonwealth of Pennsylvania, either for his or her own account or for that of the partnership or corporation.

Corporations. Business Entities (corporations and partnerships), should submit application Form BPL-02 (Business Entity) available from the Department.

Fictitious names. For any licensee, any assumed or fictitious name, style or designation must be filed with the Department for approval prior to using the alias or fictitious name. See the instructions for this process at www.insurance.pa.gov and click the Producer icon.

Exam content outline

The Series 16-15 Pennsylvania Motor Vehicle Physical Damage Appraiser exam will contain questions on the subjects described in the outline below.

The percentages indicate the relative weight assigned to each section of the exam.

**Series 16-15
Motor Vehicle Physical Damage
Appraiser Examination**

**90 questions – 2.5-hour time
limit**

1.0 Insurance Regulation 11%

- 1.1 Authority of the Insurance Commissioner (63 P.S. § 860)**
- 1.2 Licensing requirements**
 - Qualifications (63 P.S. § 853; 31 Pa. Code Ch. 62.2)
 - Grounds for license denial (63 P.S. § 856)
 - Display (63 P.S. § 861)
- 1.3 Maintenance and duration (63 P.S. § 854)**
- 1.4 Disciplinary actions**
 - Suspensions or revocations (63 P.S. § 855)
 - Fines or imprisonment (63 P.S. § 859)
- 1.5 Conduct standards (63 P.S. § 861; 31 Pa. Code Ch. 62.3)**
- 1.6 Federal regulation**
 - Fair Credit Reporting Act (15 USC 1681-1681d)
 - Fraud and false statements (18 USC 1033, 1034)

2.0 Insurance Basics 1%

- 2.1 Insurance principles and concepts**
 - Insurable interest
 - Causes of loss (perils)
 - Direct versus indirect loss
 - Valuation
 - Actual cash value
 - Stated amount
- 2.2 Common auto policy provisions**
 - Insureds — named, first named, additional
 - Deductibles
 - Loss payable clause
 - Abandonment
 - Salvage

3.0 Auto Insurance 2%

- 3.1 Personal auto ('05)**
 - Coverage for damage to your auto
 - Collision
 - Other than collision
 - Deductibles
 - Transportation expenses
 - Exclusions
 - General provisions

- Selected endorsements
 - Miscellaneous type vehicle (PP 03 23)
- 3.2 Commercial auto ('10)**
 - Section I — Covered autos
 - Section III — Physical damage
 - Exclusions

4.0 Appraising Auto Physical Damage Claims 46%

- 4.1 Role of the appraiser**
- 4.2 Duties of insured after a loss**
 - Notice to insurer
 - Minimizing the loss
 - Proof of loss
 - Inspection and appraisal of vehicle
 - Special requirements
- 4.3 Determining value and loss**
 - Adjustment procedure
 - Salvage
 - Appraisal
 - Depreciation
 - Repair or replacement
 - Repair options and procedures
 - "Like kind and quality"
 - Aftermarket parts
 - Partial versus total loss
 - Constructive total loss
- 4.4 Vehicle inspection**
 - Proper vehicle identification and options ID
 - Evaluate with regard to circumstances of accident
 - Estimate of repairs form
- 4.5 Vehicle parts and construction**
 - Body
 - Front end
 - Rear body
 - Quarter panels
 - Doors
 - Roof
 - Bumpers/urethane repairs
 - Lamps
 - Cowl
 - Firewall
 - Floor pan
 - Rocker panels
 - Pillars
 - Substructure
 - Frame
 - Unibody
 - Mechanical
 - Engine
 - Cooling system
 - Electrical system/computers
 - Exhaust system
 - Fuel system

- Heating and air conditioning systems
- Brakes/ABS
- Steering
- Suspension
- Transmission
- Air bags/SRS (seat belts)
- Glass
- Tires
- Interior
- Paint

4.6 Auto arson and fraud

5.0 Appraising Auto Physical Damage Claims – Practical Applications 40%

- 5.1 Vehicle value, loss, parts and construction**
 - Appraisal
 - Repair or replacement (ex. "like-kind and quality", aftermarket parts)
 - Partial versus total loss
 - Constructive total loss
 - Body
 - Front end
 - Rear body
 - Quarter panels
 - Doors
 - Roof
 - Bumpers/urethane repairs
 - Lamps
 - Cowl
 - Firewall
 - Floor pan
 - Rocker panels
 - Pillars
 - Frame
 - Mechanical
 - Engine
 - Cooling system
 - Electrical system/computers
 - Exhaust system
 - Fuel system
 - Heating and air conditioning systems
 - Brakes/ABS
 - Steering
 - Suspension
 - Transmission
 - Air bags/SRS (seat belts)
 - Glass
 - Tires/wheels
 - Interior
 - Seats
 - Dash
 - Paint and Finish
 - Accessories (ex. Graphics, running boards, trailer hitch, bug screens, auxiliary lighting, tinted glass)

Laws governing MVPDA

Act of 1972, P.L. 1713, NO. 367. Concerning motor vehicle physical damage appraisers; providing for the licensing of persons engaged in appraising physical damages to motor vehicles; and fixing fees and prescribing unlawful acts and penalties.

**Pennsylvania Statute Title 63,
Chapter 22B – Motor Vehicle Damage Appraisers**

TITLE 63. PROFESSIONS AND OCCUPATIONS (STATE LICENSED)

CHAPTER 22B. MOTOR VEHICLE DAMAGE APPRAISERS

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short Title. This act shall be known and may be cited as the "Motor Vehicle Physical Damage Appraiser Act."

Section 2. Definitions. As used in this act:

- 1 "Appraiser" means a motor vehicle physical damage appraiser. This shall include all persons in this State who practice the appraisal of motor vehicle physical damage.
- 2 "Commissioner" means the Insurance Commissioner of the Commonwealth of Pennsylvania.
- 3 "Insurer" includes all companies, associations and exchanges engaged in the insurance business of insurance and self insurers.

Section 3. Licenses; Examination; Fees.

- (a) No person shall directly or indirectly act or hold himself out as an appraiser unless such person has first secured a license from the Commissioner in accordance with the provisions of this act.
- (b) Except as otherwise provided in section 8 of this act, no person shall be granted an appraiser's license unless he shall first establish his qualifications therefor and shall take and pass an examination for appraisers.

An applicant for such examination shall be at least eighteen years of age; shall be a resident of the Commonwealth of Pennsylvania, or a resident of any other state or country which permits residents of this Commonwealth to act as appraisers in such other state or country; shall be trustworthy; and shall otherwise establish to the satisfaction of the Commissioner that he has had experience or special education or training with reference to the business of the appraising of physical damages to motor vehicles of sufficient duration and extent reasonably necessary to make him competent to fulfill the responsibilities of an appraiser.

Applications for an examination as appraiser shall be made to the Commissioner upon forms prescribed and furnished by him and shall be accompanied by the proper fee. Applicants shall provide the Commissioner with such information concerning his identity and personal history, and such other information as shall be necessary to establish his qualifications to take the examination.

- (c) The Commissioner shall prepare and make available to applicants a manual or instructions setting forth in general terms the subject matter to be covered in the examinations.
- (d) The examination for licensure which shall be given under the supervision of the Commissioner shall consist of a written examination that shall include the act of appraising one or more damaged motor vehicles and shall be supplemented by an oral examination. At the discretion of the Commissioner an oral examination in lieu of the aforesaid written examination may be given but only for reason of an applicant's physical handicap. An oral examination shall include the act of appraising one or more damaged motor vehicles. They shall be given at reasonable times and places within the Commonwealth. Any applicant who fails to pass such examination shall not be eligible to retake an examination for thirty days from the date of such failure.
- (e) The fee to be paid to the Commissioner by an applicant for an appraiser's license shall be ten dollars (\$10) at the time the application is made and ten dollars (\$10) annually for the renewal thereof. **See Note.**
- (f) The Commissioner shall prescribe the form of the appraiser's license and it shall contain:
 - 1 The name of the appraiser.
 - 2 The address of the appraiser's place of business.
 - 3 Date of issuance and expiration date of license.
 - 4 Any other information which the Commissioner determines is necessary.
- (g) The Commissioner shall issue an appraiser's license to every person who applies therefor, pays the proper fee, passes the required examinations and otherwise is found by the Commissioner to possess the necessary qualifications for licensure under this act.

Note: Section 612A(5) of Act 48 of 1981, which provided for the fixing of fees charged by administrative agencies, provided that subsection (e) is repealed insofar as it establishes a set fee for any activity inconsistent with the fees set forth in Act 48. **Amended by Act 47 of 2003.**

Section 4. Expiration; Renewal of Licenses.

- (a) An appraiser's license shall expire annually at midnight of June 30th next following the date of issuance.
- (b) Subject to the right of the Commissioner to suspend, revoke, or refuse to renew an appraiser's license, any such license may be renewed for another annual period commencing the first day of July and expiring at midnight of June 30th next following by filing with the Commissioner on or before the expiration date a written request, by or on behalf of the licensee, for such renewal, accompanied by payment of the renewal fee.
- (c) If the request and fee for renewal of license is filed with the Commissioner prior to the expiration of the existing

license, the licensee may continue to act under such license, unless sooner revoked or suspended, until the issuance of renewal license or until the expiration of five days after the Commissioner has refused to renew the license and has mailed notice of such refusal to the licensee. Any request for renewal not so filed until after date of expiration may be considered by the Commissioner as an application for a new license.

Section 5. Suspension Period; Surrender of License and Reinstatement or Relicensing of Licensee. Every order suspending any such license shall specify the period during which suspension will be effective, which shall in no event exceed twelve months.

The holder of any license which has been revoked or suspended shall surrender the license to the Commissioner at his request.

The Commissioner shall not reinstate the license or relicense any licensee or former licensee whose license has been suspended, revoked or renewal refused while the cause for the suspension, revocation or refusal of such license persists.

Section 6. Denial, Suspension, Revocation of or Refusal to Renew License. The Commissioner may deny initial issuance of, suspend, revoke, or refuse to renew any appraiser's license for any cause specified in any other provision of this act, or for any of the following causes:

- 1 For any cause for which issuance of the license could have been refused had it been existent and been known to the Commissioner.
- 2 If the licensee willfully violates or fails to comply with or knowingly participates in the violation of or failure to comply with any provision of this act or any rule or regulation promulgated thereunder.
- 3 If the licensee has obtained or attempted to obtain any such license through willful misrepresentation or fraud, or has failed to pass any examination required under this act.
- 4 If the licensee has, with intent to deceive, materially misrepresented the terms or effect of any insurance contract; or has engaged or is about to engage in any fraudulent transaction.
- 5 If the licensee has been convicted, by final judgment, of a felony.
- 6 If in the conduct of his affairs under the license, the licensee has shown himself to be, and is so deemed by the Commissioner, incompetent, or untrustworthy, or a source of injury and loss to the public.

Section 7. Notice; Hearing; Appeals. Except as otherwise herein provided all actions of the Commissioner shall be taken subject to the right of notice, hearing and adjudication, and the right to appeal therefrom as provided by law.

Section 8. License Without Examination; Application. Upon the payment of a fee of ten dollars (\$10) any person who has been employed or engaged for a period of not less than two years prior to the submission of such application in the appraising of physical damages to motor vehicles and is currently so engaged shall be licensed without examination as an appraiser if the application is made on or before July 1,

1973 and the applicant possesses the qualifications required of applicants as provided in section 3 of this act.

Note: Fee amended by Act 47 of 2003.

Section 9. Penalties. Any person who violates any of the provisions of this act is guilty of a misdemeanor and upon conviction thereof, for each offense, shall be sentenced to pay a fine not exceeding five hundred dollars (\$500), or to undergo imprisonment not exceeding one year, or both.

Section 10. Rules and Regulations. The Insurance Commissioner is hereby charged with the administration and enforcement of this act and shall prescribe, adopt and promulgate rules and regulations in connection therewith.

Section 11. Compliance with Act.

- (a) Each appraiser, while engaged in appraisal duties, shall carry the license issued to him by the Insurance Department and shall display it, upon request, to an owner whose vehicle is being inspected, to the repair shop representative involved or to any authorized representative of the Insurance Department.
- (b) The appraiser shall leave a legible copy of his appraisal with that of the repair shop selected by the consumer to make the repairs and also furnish a copy of the owner of the vehicle. This appraisal shall contain the name of the insurance company ordering it, if any, the insurance file number, the number of the appraiser's license and the proper identification number of the vehicle being inspected. All unrelated or old damage should be clearly indicated on the appraisal which shall include an itemized listing of all damages, specifying those parts to be replaced or repaired. Because an appraiser is charged with a high degree of regard for the public safety, the operational safety of the vehicle shall be paramount in considering the specification of new parts. This consideration is vitally important where the parts involved pertain to the drive train, steering gear, suspension units, brake system or tires.
- (c) No appraiser shall secure or use repair estimates that have been obtained by the use of photographs, telephone calls or in any manner other than a personal inspection.
- (d) No appraiser or his employer shall require that repairs be made in any specified repair shop.
- (e) Every appraiser shall promptly reinspect damaged vehicles prior to the repairs in question when supplementary allowances are requested by repair shops and the amount or extent of damages is in dispute.
- (f) Every appraiser shall:
 - 1 Conduct himself in such a manner as to inspire public confidence by fair and honorable dealings.
 - 2 Approach the appraisal of damaged property without prejudice against, or favoritism toward, any party involved in order to make fair and impartial appraisals.
 - 3 Disregard any efforts on the part of others to influence his judgment in the interest of the parties involved.
 - 4 Prepare an independent appraisal of damage.

LAWS GOVERNING MVPDA

- 5 Inspect a vehicle within six working days of assignment to the appraiser unless intervening circumstances (i.e. catastrophe, death, failure of the parties to cooperate) render such inspection impossible.

(g) No appraiser shall:

- 1 Receive directly or indirectly any gratuity or other consideration in connection with his appraisal services from any person except his employer or, if self-employed, his customer.
- 2 Traffic in automobile salvage if such salvage is obtained in any way as a result of appraisal services rendered by him for his own benefit.

Section 12. Legislative Intent. It is not contemplated that this act shall apply where no appraisal has been assigned. Recognition is given to the fact that many minor damage claims do not require a formal appraisal and to require such would be an undue burden upon the parties involved.

Section 13. Severability. If any section, subsection, subdivision, paragraph, sentence or clause of this act is held invalid or unconstitutional, such decision shall not affect the remaining portions of this act and to this end the provisions of this act are declared to be severable.

Section 14. Effective Date. This act shall take effect January 1, 1973.

Pennsylvania Code, Title 31, Part II. Chapter 62, Motor Vehicle Physical Damage Appraisers (Annex A)

Title 31. Insurance, Part II. Automobile Insurance.

Sections

- 62.1. Definitions.
- 62.2. Experience and fitness requirements for licensing.
- 62.3 Applicable standards for appraisal.
- 62.4 Reserved.

§ 62.1 Definitions. The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

- **Act** — The Motor Vehicle Physical Damage Appraiser (Act 63 P.S. §§ 851-863).
- **Aftermarket Crash Part** — A nonoriginal equipment manufacturer (Non-OEM) replacement part, either new or used, for any of the nonmechanical parts that generally constitute the exterior of the motor vehicle, including inner and outer panels.
- **Appraisal** —
 - (i) A written monetary estimate of physical damage sustained to a motor vehicle when the making of the estimate is assigned in order to allow the return of the vehicle to its predamaged condition.
 - (ii) The term includes estimates made by the insurer, its employees, its agents or related entities or individuals or entities assigned to make the estimate.

- **Appraiser** — A natural person in this Commonwealth who makes appraisals of motor vehicle physical damage.
- **Commissioner** — The Insurance Commissioner of the Commonwealth.
- **Consumer** — The owner of the motor vehicle which has sustained damage or the owner's representative.
- **Dealer** — An individual licensed, active, and knowledgeable in the sale of used motor vehicles similar to that being appraised.
- **Insurer** — All companies, associations and exchanges engaged in the insurance business of insurance companies and self-insurers.
- **Motor vehicle** — A motorized device, including a trailer attached thereto, in, upon, or by which a person or property is or may be transported or drawn upon a public highway.
- **Predamaged condition** — The function and appearance of the motor vehicle just prior to when the damage in question was sustained.

§ 62.2 Experience and fitness requirements for licensing.

- (a) In addition to the requirements in sections 3, 4, 8 and 11 of the act (63 P.S. §§ 853, 854, 858 and 861), to qualify to take the examination required for appraisers, an applicant shall establish competency to fulfill the responsibility of being an appraiser.
 - 1 Competency may be demonstrated by providing written documentation of one of the following.
 - (i) A minimum of 6 months continuous experience within the previous 3 years at an occupation, such as body repair, that directly involves the estimation of physical damage to motor vehicles.
 - (ii) Successful completion of education or training related to appraising motor vehicle physical damage taken within the previous 3 years.
 - 2 The applicant shall provide additional information relating to experience, education or training to the Commissioner or designee upon request.
- (b) An application for a license may be denied for any of the following reasons:
 - 1 The applicant has provided incorrect, misleading or incomplete answers to interrogatories on forms incidental to applying for a license.
 - 2 The applicant has been denied a license or has had an existing license revoked, suspended or not renewed by the Department or regulatory authority in another state, territory or possession of the United States, or in the District of Columbia, or the Canadian provinces.
 - 3 The applicant does not possess the professional competence and trustworthiness required to engage in conducting motor vehicle appraisals.
 - 4 An applicant has pleaded guilty, entered a plea of nolo contendere or has been found guilty of a felony in a court of competent jurisdiction, or has pleaded guilty, entered a plea of nolo contendere or been found guilty of criminal conduct which relates to the applicant's suitability to conduct motor vehicle appraisals.

- (i) Examples of criminal violations which the Department may consider related to the applicant's suitability to engage in the business of an appraiser include: unlawful practices, embezzlement, obtaining money under false pretenses, conspiracy to defraud, bribery or corrupt influence, perjury or false swearing, unlicensed activity or a criminal offense involving moral turpitude or harm to another.
- (ii) Examples of violations or incidents which the Department will not consider related to the applicant's suitability to engage in the business of an appraiser are all summary offenses, records of arrests if there is no conviction of a crime based on the arrest, convictions which have been annulled or expunged or convictions for which the applicant has received a pardon from the Governor.

- 5 If applicable, applicants shall also comply with the insurance-related provisions in sections 320 and 603(a) of the Violent Crime Control and Law Enforcement Act of 1994 (18 U.S.C.A. §§ 1033 and 1034).
- 6 The applicant has unpaid any overdue amounts, including, fees and civil penalties, owing to the Department.

§ 62.3 Applicable Standards for Appraisal.

- (a) The appraisal shall:
 - 1 Be signed by the appraiser before the appraisal is submitted to the insurer, the consumer, or another involved party. The appraiser may utilize an electronic signature.
 - 2 Not use abbreviations or symbols to describe work to be done or parts to be repaired or replaced unless an explanation of the abbreviations and symbols is included.
- (b) In addition to the requirements in the act, the appraisal shall contain a written disclosure which includes the following:
 - 1 The dollar amount of the appraisal.
 - 2 A statement that costs above the appraised amount may be the responsibility of the vehicle owner.
 - 3 A statement that there is no requirement to use any specified repair shop.
 - 4 A statement informing the consumer that information regarding repair facilities which will be able to repair the vehicle for the appraised amount is available from the insurer. If the consumer receives information from the insurer, the information shall include disclosure that there is no requirement to use any specified repair shop.
 - 5 A description of repairs, known at the time of appraisal, necessary to return the vehicle to its predamaged condition, including labor involved, cost of all parts, necessary painting or refinishing, and all sublet work to be done.
 - 6 Incidental charges, known at the time of appraisal, including towing, protective care, custody, storage, depreciation, battery and tire replacement.
 - 7 Applicable sales tax.

- 8 The date, if any, after which an insurer will not be responsible for any related towing services or storage charges, known at the time of appraisal, and after which the charges will be the responsibility of the consumer.
 - 9 The location where the listed parts are available in a condition equivalent to, or better than, the condition of the replaced parts prior to the accident.
 - 10 If the appraisal includes aftermarket crash parts, a statement that the appraisal has been prepared based on the use of aftermarket crash parts, and that if the use of an aftermarket crash part voids the existing warranty on the part being replaced or any other part, the aftermarket crash part shall have a warranty equal to or better than the remainder of the existing warranty.
 - 11 Identification of all aftermarket crash parts and a definition of aftermarket crash parts consistent with section 62.1 (relating to definitions), if these parts are used.
- (c) An appraisal for the repair of the motor vehicle shall be made in the amount necessary to return the motor vehicle to its predamaged condition. If the consumer wishes to repair the motor vehicle to a condition better than the predamaged condition, the appraisal need only specify the cost of repairing the vehicle to its predamaged condition.
 - (d) In the appraisal of salvage value, the following standard shall be used:
 - 1 If the salvage value of the vehicle being appraised is known or could reasonably be determined, the appraiser shall disclose to the consumer in writing:
 - (i) The salvage value.
 - (ii) The provisions of 75 Pa.C.S. section 1117(a) (relating to vehicle destroyed, dismantled, salvaged or recycled), requiring the filing of an application for certificate of salvage with the Department of Transportation. See 75 P.S. § 1117.
 - (iii) Additional charges for towing services or storage chargeable against the motor vehicle as of the date of the appraisal.
 - 2 If the salvage value is listed, the appraiser shall disclose to the consumer in writing:
 - (i) The name and address of each salvage bidder.
 - (ii) The amount.
 - (iii) The expiration date of each salvage bid known.
 - 3 If the ownership and possession of the damaged motor vehicle is not retained by the owner or the owner's representative, this subsection dealing with salvage value is inapplicable.
 - (e) The appraised value of the loss shall be the replacement value of the motor vehicle if the cost of repairing a motor vehicle exceeds its appraised value less salvage value, or the motor vehicle cannot be repaired to its predamaged condition.
 - 1 Under this subsection, replacement value under the policy provisions covering the total loss of a motor vehicle including an unrecovered motor vehicle shall be determined by one of the following methods:



Exam Registration Form

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